

Board of Directors approves draft separate and consolidated financial statements for 2016
Revenues of 8.52 million euro (+66.3%)
EBITDA up from 1.81 to 4.90 million euro
Parent company closes with net profit of 0.98 million euro

Milan, 22 March 2017

The Board of Directors of CIA met on 22 March and approved the draft separate and consolidated financial statements for 2016.

Consolidated revenues for the year ended 31 December 2016 amounted to 8.52 million euro, compared with 5.12 million euro in the prior year. The increase of 66.3% was principally attributable to the capital gain realised on the disposal of the office premises in Manhattan, New York.

In the vineyard sector, the sales of Feudi del Pisciotto almost tripled compared with the prior year, following increased volume (+84%) and the steady rise in average prices (+25%). In particular, the growth in sales was generated by the Export channel, due to the long-term contracts signed with Chinese importers and the continued improvement in brand awareness, which is facilitated by the excellent ratings regularly awarded by international wine critics. Broadly in line with the trend in Sicily, the 2016 harvest was marked by the excellent quality of the grapes, but also by a 19% reduction in their volume with respect to the prior year. This was due to a lack of rain, combined with average temperatures that were much higher than usual.

Operating costs amounted to 3.61 million euro (3.31 million euro in 2015). Gross operating profit (EBITDA) increased from 1.81 million euro to 4.90 million euro.

Net non-core charges totalled 0.49 thousand euro (income of 2.58 million euro in 2015). After depreciation, amortisation and write-downs of 5.4 million euro (5.2 million euro in 2015), the loss attributable to the Group was 1.64 million euro (1.44 million euro last year).

The consolidated net financial position has improved from net borrowing of 46.12 million euro at 31 December 2015 to 44.14 million euro at 31 December 2016.

The disposal of the office premises in Manhattan, New York, during December enabled the Company to realise a substantial capital gain (2.77 million euro). The sale took advantage of the exponential growth of the property market in New York, which has elevated the entire sector to the peaks seen prior to the 2008 financial crisis.

With regard to the investments held in office premises in Milan, the tenants continue to apply strong pressure for additional rent revisions, despite the reductions already granted. Property sales are suspended due to the dispute between Diana Bis Srl, owner of the residential property at via Borgazzi 1/3/5, Milan, and the Corso Italia 66-68 condominium. There have not been any significant developments in this case.

- Development and investment activities

- The restaurant within the Feudi del Pisciotto complex in Sicily was inaugurated on 1 May 2016 and the installation of a small spa has been completed, while work has almost finished on a cookery school (for which a partnership agreement with LeCirque has already been

signed), which will complete this phase of investment in the Wine Relais. The comments made by guests all continue to be positive, with top ratings in most cases (sources: Booking.com and TripAdvisor).

- A project has been finalised for the construction of additional rooms and suites in a portion of the ancient fortified farmhouse owned by Feudi del Pisciotto, with a view to consolidating and strengthening the facilities currently offered by the Wine Relais. The start of work depends on admission to the European calls for projects to be published in the coming months and on sourcing the 50% investment for which the company is responsible.
- Planning work continues on the Island of Levanzo (Sicily) for development of the property owned by Agricola Florio Srl, with a view to balancing the rural identity of the area with its importance for tourism, by making decisions that reflect the values of Rural Tourism.

Performance of the parent company

Revenues for the year ended 31 December 2016 amounted to 5.86 million euro, up from 3.04 million euro in 2015. Operating revenues totalled 2.98 million euro (2.76 million euro in the prior year), while other operating income - including the capital gain on the disposal of the New York premises - amounted to 2.88 million euro (0.28 million euro in 2015).

Operating costs of 2.02 million euro compare with 1.58 million euro in the prior year. Gross operating profit (EBITDA) was 3.84 million euro, which represents a sharp rise with respect to last year (1.46 million euro).

Pre-tax profit for the year was 2.18 million euro, while net profit was 0.98 million euro (2.88 million euro for the year ended 31 December 2015).

Shareholders' equity totals 12.16 million euro, compared with 11.39 million euro at 31 December 2015.

Consolidated reclassified statement of comprehensive income:

<i>€uro/000</i>	31/12/15	31/12/15 Reclass.*	31/12/16	Change (%)
Revenues from sales	6,762	5,120	8,516	66.3
Operating costs	(4,952)	(3,310)	(3,612)	9.1
Gross profit	1,810	1,810	4,904	170.9
<i>% of revenues</i>	26.8	35.4	57.6	
Non-core income (charges), net	2,582	2,582	(489)	(118.9)
Depreciation and amortisation	(5,205)	(5,205)	(5,393)	3.6
Operating result	(813)	(813)	(978)	(20.3)
<i>% of revenues</i>	(12.0)	(15.9)	(11.5)	
Financial income (charges), net	(2,322)	(2,322)	(2,102)	(9.5)
Profit/(loss) before tax	(3,135)	(3,135)	(3,080)	(1.8)
Taxes	73	73	(468)	n.s.

(Profit)/loss attributable to NCIs	1,621	1,621	1,904	17.5
Result attributable to owners of the parent	(1,441)	(1,441)	(1,644)	(14.1)
Components of comprehensive income for the year	1,225	1,225	(4)	n.s.
Comprehensive result attributable to owners of the parent	(216)	(216)	(1,648)	n.s.

Revenues are analysed as follows:

<i>€uro/000</i>	31/12/15	31/12/15 Reclass.*	31/12/16	Change (%)
Rental income	2,635	2,635	2,853	8.3
Facility management revenues	731	731	731	-
Wine sale revenues	842	842	1,922	128.3
Change in vineyard inventories of semi-finished and finished products	-	498	(482)	n.s.
Other vineyard and Wine Relais revenues	902	377	492	30.5
Property sale revenues	1,260	1,260	2,861	127.1
Change in residential property inventories	-	(1,615)	(130)	92.0
Other revenues	392	392	269	(31.1)
Total operating revenues	6,762	5,120	8,516	66.3

Outlook for operations

The macroeconomic situation means that the prospects for economic growth remain very uncertain, while the financial markets remain highly volatile, especially in Italy, with signs of a slowdown in consumption despite a gradual improvement in employment levels.

The principal markets in which the Group operates are however showing certain timid signs of recovery that, based on the projections, might reduce the current economic-financial imbalance with respect to the financial commitments made. The outlook for continuing operations is therefore positive overall, especially considering the further special transactions that might be carried out and continued expansion of the commercial operations of Feudi del Pisciotto.

Convocation of the Shareholders' Meeting

A Shareholders' Meeting has been called in ordinary and extraordinary session for 28 April 2017, at 9.30 a.m. in the conference room at Via Marco Burigozzo 5, Milan, and, if a second calling is necessary, for 2 May 2017 at the same place and time.

Report on Remuneration

The Board has approved the Report on Remuneration pursuant to art. 123-ter of Decree no. 58/1998.

Verification that the independence requirements for directors and statutory auditors are met

The Board of Directors has verified the independence requirements placed on Maurizio Carfagna, Giovanni Battista Cattaneo della Volta, Vincenzo Manes, Andrea Morante and Maria Grazia Vassallo, all of whom are directors, as are the independence and honourability requirements placed on the members of the Board of Statutory Auditors.

Declaration of the Responsible Executive

The executive responsible for preparing the corporate accounting documents of Compagnia Immobiliare Azionaria S.p.A., Walter Villa, hereby certifies that the accounting information contained in this document is consistent with the underlying documents, registers and accounting entries.

The separate and consolidated income statements, statements of financial position, statements of cash flows and net financial position are attached to this press release.

The report on operations will be made available to the public on the website of Cia, www.c-i-a.it, prior to the legal deadline.

Consolidated statement of comprehensive income for the year ended 31 December 2016

(thousands of euro)	31 December 2015	31 December 2016
Revenues	5,659	5,853
Other revenues and income	578	3,275
Change in inventories of semi-finished and finished products	(1,117)	(612)
Total revenues	5,120	8,516
Purchases	(550)	(535)
Services	(1,710)	(1,739)
Payroll costs	(589)	(559)
Other operating costs	(464)	(772)
Investments measured at equity	3	(7)
Total operating costs	(3,310)	(3,612)
Gross operating result - EBITDA	1,810	4,904
Net non-core income/(charges)	2,582	(489)
Depreciation, amortisation and writedowns	(5,205)	(5,393)
Operating result - EBIT	(813)	(978)
Net financial income/(charges)	(2,322)	(2,102)
Pre-tax profit (loss)	(3,135)	(3,080)
Taxes	73	(468)
Net profit/(loss)	(3,062)	(3,548)
<i>(Profit)/Loss attributable to non-controlling interests</i>	<i>1,621</i>	<i>1,904</i>
Result attributable to owners of the parent	(1,441)	(1,644)
Other components of comprehensive income		
Actuarial income/(charges) not recorded in income statement (IAS 19)	(2)	(4)
Remeasurement of land	1,227	--
Taxes on other components of comprehensive income	--	--
Total components of comprehensive income, net of tax effect	1,225	(4)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE GROUP	(216)	(1,648)
<i>Basic earnings per share</i>	<i>(0.00)</i>	<i>(0.02)</i>
<i>Diluted earnings per share</i>	<i>--</i>	<i>--</i>

Consolidated statement of financial position at 31 December 2016

ASSETS (thousands of euro)	31 December 2015	31 December 2016
Intangible assets with an indefinite life	--	--
Other intangible assets	--	--
Intangible assets	--	--
Property, plant and equipment	42,537	39,311
Investments measured at equity	9,782	5,902
Other equity investments	631	631
Deferred tax assets	331	275
Other receivables	1,977	1,990
NON-CURRENT ASSETS	55,258	48,109
Inventories	16,112	15,489
Trade receivables	2,541	6,541
Tax receivables	659	845
Other receivables	961	907
Liquid funds	1,033	466
CURRENT ASSETS	21,306	24,248
TOTAL ASSETS	76,564	72,357

EQUITY AND LIABILITIES (thousands of euro)	31 December 2015	31 December 2016
Share capital	923	923
Share premium account	1,526	1,526
Legal reserve	185	185
Other reserves	8,863	7,215
Net profit (loss) for the year	(1,441)	(1,644)
Equity attributable to owners of parent	10,056	8,205
Capital and reserves attributable to NCI	5,037	3,416
Profit (loss) attributable to NCI	(1,621)	(1,904)
Equity attributable to NCI	3,416	1,512
SHAREHOLDERS' EQUITY	13,472	9,717
Financial payables	40,257	37,405
Deferred tax liabilities	--	--
Provisions for liabilities and charges	2	2
Severance indemnities and other payroll provisions	32	41
NON-CURRENT LIABILITIES	40,291	37,448
Financial payables	6,900	7,200
Trade payables	6,276	7,259
Tax payables	240	834
Other payables	9,385	9,899
CURRENT LIABILITIES	22,801	25,192
TOTAL LIABILITIES	63,092	62,640
TOTAL EQUITY AND LIABILITIES	76,564	72,357

Statement of consolidated cash flows for the year ended 31 December 2016

(thousands of euro)	2015	2016
OPERATING ACTIVITIES		
Net profit (loss) for the year	(1,441)	(1,644)
Adjustments:		
- Depreciation and amortisation	1,518	1,518
Self-financing	77	(126)
Change in inventories	1,436	623
Change in trade receivables	6,837	(4,000)
Change in tax receivables/payables	(20)	464
Change in other receivables	(202)	41
Change in trade payables	669	983
Change in other payables	(8,570)	514
Cash flows from operating activities (A)	227	(1,501)
INVESTING ACTIVITIES		
Property, plant and equipment	(1,507)	1,708
Intangible assets	--	--
Equity investments	3,265	3,880
Cash flows from investing activities (B)	1,758	5,588
FINANCING ACTIVITIES		
Change in amounts due to banks and other lenders	(591)	(2,552)
Change in provisions for liabilities and charges	(1)	--
Change in severance indemnities	4	9
Payment of dividends	--	(203)
Change in equity reserves	1,222	(4)
Change equity attributable to NCI	(1,622)	(1,904)
Cash flows from financing activities (C)	(988)	(4,654)
Change in liquid funds (A) + (B) + (C)	997	(567)
Liquid funds, start of year	36	1,033
Liquid funds, end of year	1,033	466

Consolidated net financial position

Euro/000	31/12/2015	31/12/2016	Change 2016/2015	Change %
Securities	--	--	--	--
Liquid funds	1,033	466	(567)	(54.9)
Current financial receivables	--	--	--	--
Non-current financial payables	(40,257)	(37,405)	2,852	7.1
Current financial payables	(6,900)	(7,200)	(300)	(4.3)
Consolidated net financial position	(46,124)	(44,139)	1,985	4.3

Separate income statement of the parent company

<u>SEPARATE INCOME STATEMENT</u>			
	INCOME STATEMENT	31/12/2015	31/12/2016
REVENUES			
	Revenues	2,756,344	2,980,250
	Other operating income	280,541	2,879,984
TOTAL REVENUES		3,036,885	5,860,234
	Purchases	(305)	(3)
	Services	(1,067,646)	(1,231,443)
	Payroll costs	(173,603)	(168,756)
	Other operating costs	(335,179)	(617,275)
TOTAL OPERATING COSTS		(1,576,733)	(2,017,477)
Gross operating result - EBITDA		1,460,152	3,842,757
	Net non-core income/(charges)	2,766,233	(466,601)
	Depreciation, amortisation and writedowns	(369,191)	(353,796)
Operating result - EBIT		3,857,194	3,022,361
	Financial income (charges), net	(936,873)	(837,376)
Pre-tax result		2,920,321	2,184,985
	Taxes	(44,167)	(1,205,709)
NET RESULT		2,876,154	979,275

Separate statement of financial position

ASSETS	31/12/2015	31/12/2016
NON-CURRENT ASSETS		
Intangible assets with an indefinite life	--	--
Other intangible assets	--	--
Total intangible assets	--	--
Property, plant and equipment	42,532	37,505
Investment property	11,583,123	9,185,337
Equity investments	9,631,721	10,266,721
Deferred tax assets	69,716	59,560
Other receivables	6,840	6,840
TOTAL NON-CURRENT ASSETS	21,333,932	19,555,963
CURRENT ASSETS		
Inventories	--	--
Trade receivables	3,834,327	6,214,190
Securities	--	--
Financial receivables	6,834,306	6,808,242
Tax receivables	383,986	551,636
Other receivables	10,299,274	10,382,215
Liquid funds	997,931	406,283
TOTAL CURRENT ASSETS	22,349,824	24,362,566
TOTAL ASSETS	43,683,756	43,918,529

Separate statement of financial position

EQUITY AND LIABILITIES	31/12/2015	31/12/2016
SHAREHOLDERS' EQUITY		
Share capital	922,953	922,953
Reserves	7,589,711	10,259,296
Profit (loss) for the year	2,876,154	979,275
TOTAL SHAREHOLDERS' EQUITY	11,388,818	12,161,524
NON-CURRENT LIABILITIES		
Financial payables	16,788,323	14,130,309
Deferred tax liabilities	--	--
Provisions for liabilities and charges	--	--
Severance indemnities and other payroll provisions	31,506	41,158
TOTAL NON-CURRENT LIABILITIES	16,819,829	14,171,467
CURRENT LIABILITIES		
Financial payables	4,341,390	4,156,991
Trade payables	4,527,177	5,059,050
Tax payables	69,736	325,209
Other payables	6,536,806	8,044,288
TOTAL CURRENT LIABILITIES	15,475,109	17,585,538
TOTAL LIABILITIES	32,294,938	31,757,005
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	43,683,756	43,918,529

Separate statement of cash flows for the year ended 31 December 2016

(thousands of euro)	2015	2016
Operating activities		
Profit for the year	2,876,154	979,275
Depreciation and amortisation	367,799	351,655
Self-financing	3,243,953	1,330,930
Change in inventories	--	--
Change in trade receivables	6,265,223	(2,379,863)
Change in tax receivables/payables	(183,532)	97,979
Change in other receivables	1,244,334	(56,877)
Change in trade payables	244,131	531,873
Change in other payables	(7,191,750)	1,507,482
Cash flows from operating activities (A)	3,622,359	1,031,524
Investing activities		
Property, plant and equipment	(665)	2,051,158
Intangible assets	--	--
Financial fixed assets	(2,436,275)	(635,000)
Cash flows from investing activities (B)	(2,436,940)	1,416,158
Financing activities		
Change in amounts due to banks and other lenders	(202,500)	(2,842,413)
Change in provisions for liabilities and charges	--	--
Change in severance indemnities	3,443	9,652
Dividends paid	--	(203,049)
Change in other provisions	(1,945)	(3,520)
Cash flows from financing activities (C)	(201,002)	(3,039,330)
Change in liquid funds (A) + (B) + (C)	984,417	(591,648)
Liquid funds, start of year	13,514	997,931
Liquid funds, end of year	997,931	406,283

